

IMPORTATION OF CERTAIN LIVESTOCK FEED FREE OF
DUTY AND SUSPENSION OF INCREASE IN FEDERAL
INSURANCE CONTRIBUTIONS TAX RATES

DECEMBER 17 (legislative day, DECEMBER 15), 1943.—Ordered to be printed

Mr. VANDENBERG, from the Committee on Finance, submitted the following

REPORT

[To accompany H. J. Res. 171]

The Committee on Finance, to whom was referred the joint resolution (H. J. Res. 171) to permit the importation from foreign countries free of duty, during a period of 90 days, of certain grains and other products to be used for livestock and poultry feed, having considered the same, report favorably thereon with amendments and recommend that the joint resolution, as amended, do pass.

The joint resolution, as passed by the House, would permit the free importation into the United States, the District of Columbia, the Territories, Puerto Rico, and the Virgin Islands, for a period of 90 days, of wheat, oats, barley, rye, flax, cottonseed, or hay, or products in chief value of one or more of the foregoing or derivatives thereof, when they are to be used as, or as a constituent part of, feed for livestock and poultry. The increased production of livestock and poultry which is necessary to meet the present large demands, together with the severe drought conditions which prevailed in certain areas during this year, has resulted in acute shortage of livestock and poultry feed in many sections of the United States and in sharp increases in prices. It is the purpose of this legislation to help relieve these conditions by making available to livestock and poultry producers feed in greater quantities and at lower prices.

The committee amendment postpones for 2 months the increase in the tax rate under the Federal Insurance Contributions Act. Under existing law the present rates of 1 percent on the employee and 1 percent on the employer will automatically increase to 2 percent on each on January 1, 1944. In the consideration of the revenue bill of 1943, which is now before the Finance Committee, the committee has agreed to an amendment to that bill which would postpone

the increase in these rates until January 1, 1945. However, it now appears that the revenue bill will not become law before January 1, 1944.

If the increase in these rates is permitted to take effect, pending the final determination of the question as to whether or not the increase should be postponed for a year, it will be necessary for employers to begin making pay-roll deductions at the higher rate from January 1, 1944. This would involve a tremendous amount of clerical and administrative work which would be totally unnecessary if the increase in rates is to be postponed until 1945. Moreover, if the revenue bill when enacted should then provide for postponing the increase until January 1, 1945, it would be necessary to provide for refunds of part of the taxes which had been collected at the higher rate. Under these circumstances it seems evident that it is wise to postpone the increase temporarily until the Congress has an opportunity to determine whether or not it should be postponed for another year.

